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(1933 - 2000)

October 17, 2003

VIA FACSIMILE AND UPS OVERNIGHT

(202) 219-3923

Lawrence H. Norton, General Counsel
Rhonda J. Vosdingh, Esq.
Federal Election Commission
Washington, DC 20463

Re: Chris Kouri for Congress Committee and
William Shaia, Its Treasurer

MUR-5238-5328

Dear Mr. Norton and Ms. Vosdingh:

This law firm is counsel to the Chris Kouri for Congress Committee (Committee) and Kinde Durkee (Durkee), its current treasurer. Mr. Shaia is no longer the Committee's treasurer.

By letter dated September 4, 2003, the Federal Election Commission (Commission) invited the Committee and Mr. Shaia to submit any factual or legal materials they considered relevant to the Commission's consideration of a probable cause finding in this matter. This letter constitutes a preliminary response to these allegations.

As shown in the attached declarations of Chris Kouri, Martha Elder, the Committee's fundraising director, and Kinde Durkee, neither the Committee nor anyone in its principal fundraising and FEC compliance positions had any information during the 2002 campaign that Team Majority or PAC to the Future had any connection to one another or that the contributions from these committees should be aggregated. Indeed, the only information the Committee and its agents have with respect to such allegations is contained in--and was first learned from--the documentation accompanying the notification of this MUR.

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

2003 OCT 20 P 1:18

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Lawrence H. Norton, General Counsel
Rhonda J. Vosdingh, Esq.
October 17, 2003
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Moreover, the Committee and its agents made good faith efforts to avoid the acceptance of any contributions in excess of the applicable limits.

The original signature pages of the declarations will be sent to you under separate cover.

Although declarations can be obtained from other persons involved with or employed by the Committee, the Committee views them as cumulative. However, if the Committee comes across any additional information that it feels would be helpful to your investigation, I shall forward it to you. Similarly, should the Commission feel that it wishes to consider and weigh declarations from any other person, I shall be glad to forward the request to the appropriate Committee agent.

In light of the foregoing, the Committee, Shaia and Durkee respectfully request that the Commission terminate its investigation as it relates to them.

It is my understanding that, out of an abundance of caution, a check payable to the U.S. Treasury disgorging the \$5,000 contribution from Team Majority, the later received of the two contributions, will be mailed by the Committee's treasurer within the next few days. I will write to you separately to confirm that fact once the check has been mailed.

Meanwhile, if you have any additional questions or if I may be of additional assistance, feel free to give me a call.

Very truly yours,



Laurence S. Zakson
of REICH, ADELL, CROST & CVITAN

LSZ/caw
Enclosures

cc: Chris Kouri
Kinde Durkee

25044114805

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8 Attorneys for Responding Party

9 Before the United States Government
10 Federal Election Commission

11 In Re:] CASE NO. MUR 5328
12 Chris Kouri for Congress] DECLARATION OF CHRIS KOURI
13 Committee & William]
14 Shaia, Its Treasurer]
15]
16]

17 I, CHRIS KOURI, declare:

18
19 1. Identification

20
21 I was a candidate for Congress in 2002. My campaign
22 committee is known as Chris Kouri for Congress Committee
23 (Committee). I had a finance director, Martha Elder, and a
24 campaign manager, Paul Blank. Thus, although I had overall
25 managerial responsibility for the campaign, I was not particularly
26 involved in the day-to-day operations of the campaign office. All
27 of the facts set forth in this declaration are based on my own
28 personal knowledge unless otherwise expressly noted.

1 2. [Solicitation of Contribution Checks]

2
3 a. During 2002, the lists of potential contributors I called
4 included Democratic Congressional leaders, including Congresswoman
5 Nancy Pelosi. To the best of my recollection, these lists did not
6 include the names of any specific committees these leaders may
7 have controlled. I recall leaving messages for these Democratic
8 leaders, and I am informed and believe that a result of these
9 messages was that several checks from apparently Democratic-
10 leaning sources came into the Committee.

11
12 b. No one ever told me that Team Majority and PAC to the
13 Future are or were connected. I am absolutely certain that I have
14 no recollection of speaking to anyone identified to me as being
15 from these contributing committees.

16
17 3. [Team Majority and PAC to the Future]

18
19 No one from either PAC to the Future or Team Majority
20 contacted me or, to my knowledge, Mr. Blank or Ms. Elder at all,
21 other than the sending of their respective checks. Thus, there
22 was nothing of which I was aware to indicate that the two
23 committees are or were in any way connected.

24
25 I declare under penalty of perjury under the laws of the
26 United States of America that the foregoing is true and correct to

27 / / /

28 / / /

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10/17/2003 13:54 FAX 704 334 8467

HELMS MULLISS WICKER

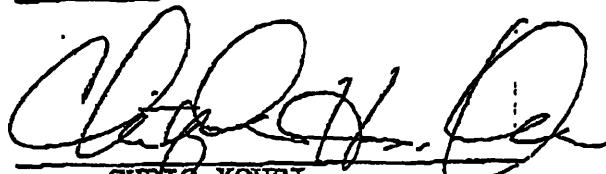
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OCT-16-03 17:22 FROM:REICH ADELL CROST CVITAN

ID:2133865583

PAGE 7

1 the best of my knowledge and information, and that this
2 declaration was executed this 17th day of October, 2003 in
3 Charlotte, N.C.


CHRIS KOURI

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5 Attorneys for Responding Party

6
 7
 8 Before the United States Government
 9 Federal Election Commission

10
 11 In Re:] CASE NO. MUR 5328
 12 Chris Kouri for Congress] DECLARATION OF MARTHA ELDER
 13 Committee & William]
 Shaia, Its Treasurer]
 14]
 15]
 16]

17 I, MARTHA ELDER, declare:

18
 19 1. [Identification]

20
 21 I am a professional finance director, and have worked for
 22 various candidates and their controlled committees. I began
 23 working for Chris Kouri for Congress Committee (Committee) as
 24 finance director in January 2002, and continued in this role until
 25 early December 2002. In general, my role was to raise funds for
 26 the Committee and manage the Committee's operations on a day-to-
 27 day basis. In this role, I was supervised by Chris Kouri. All of
 28 the facts set forth in this declaration are based on my own

1 personal knowledge unless otherwise expressly noted.

2

3 2. [Solicitation of Contribution Checks]

4

5 a. During 2002, I frequently--perhaps one-half of the time--
6 sat with Mr. Kouri during his fundraising call times. Call times
7 were the principal method of fundraising for the Committee, and
8 the more-or-less exclusive means of soliciting multi-thousand
9 dollar contributions. Whether I sat in with Mr. Kouri or not, I
10 always organized the call lists for the call times. I was the
11 person with principal responsibility for identifying potential
12 contributors, and part of this responsibility was to compile lists
13 of the names and contact information for potential contributors
14 for Mr. Kouri to call during his call times.

15

16 b. The call lists I prepared for Mr. Kouri included
17 Democratic Congressional leaders, including Congresswoman Nancy
18 Pelosi. These lists did not include the names of any specific
19 committees these leaders may have controlled. I know, from having
20 observed it, that Mr. Kouri repeatedly left messages for these
21 Democratic leaders, and that a result of these messages was that
22 several checks from apparently Democratic-leaning sources came
23 into the Committee.

24

25 c. I am certain that the call lists did not include the
26 names of the two contributors at issue here, Team Majority and PAC
27 to the Future.

28

1
2 3. [Processing of Contribution Checks]
3

4 a. I physically worked at the campaign office, which was
5 initially located in Mr. Kouri's house and, later, in an office
6 building. When checks arrived at the office, I would open the
7 envelope. I would then photocopy the check and enter it into the
8 Committee's computerized bookkeeping system. When I entered the
9 check into the computerized system, I would do a computer search
10 to see if the contributor had given previously by using the
11 contributor's name to see if that person or PAC had given before.
12 Often a contributor had given previously. If the person had given
13 before, I would add together all the previous contributions and
14 compare that number to the applicable limit (\$1,000 for an
15 individual and \$5,000 for a multi-candidate PAC).
16

17 b. During the primary, rarely, but more than once, the
18 computer search would demonstrate that the contributor had given
19 more than the applicable limit. In that event, I would write a
20 letter returning the check, and call the person. Sometimes the
21 letter would request reattribution or redesignation along with
22 returning the check to the contributor. To the best of my
23 recollection, there was nothing that I noticed to be an "over the
24 limit" contribution during the general election. If the check
25 appeared to be a lawful contribution, I placed it in a folder for
26 Paul Blank, the campaign manager, who would deposit the check,
27 make the appropriate bookkeeping entries, and notify Durkee and
28 Associates, the Committee's vendor for FEC reporting services.

1 c. When FEC reports were prepared, Paul Blank was the
2 person who was in charge of coordinating the efforts to assure
3 that the reports were complete and accurate. Because of my
4 familiarity with the checks and the names of many of the
5 contributors, I regularly reviewed the draft reports to assure
6 that the Committee's treasurer had the benefit of my knowledge of
7 the names, occupations and employers of contributors before the
8 report was finalized.

9
10 4. [Paul Blank's Excel Spreadsheet]

11
12 I know that the Committee also used an Excel spreadsheet as
13 an additional safeguard against depositing an over the limit
14 contribution. I know this because I recall one incident in which
15 an over the limit contribution was "caught" during the course of
16 preparing an FEC report. In that incident, Paul Blank had
17 prepared a spreadsheet to send to Durkee and Associates and noted
18 that a contributor had given too much. I personally saw the
19 spreadsheet, and I know that this contribution was refunded as a
20 result of its being listed on the spreadsheet. I understand, from
21 a business conversation I had with Mr. Blank at the time, that he
22 prepared such a spreadsheet prior to each FEC report the Committee
23 filed.

24
25 5. [Team Majority and PAC to the Future]

26
27 No one from either PAC to the Future or Team Majority
28 contacted me or, to my knowledge, Messrs. Blank or Kouri at all,

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1 other than the sending of their respective checks. Thus, there
2 was nothing of which I was aware to indicate that the two
3 committees are or were in any way connected.
4

5 I declare under penalty of perjury under the laws of the
6 United States of America that the foregoing is true and correct to
7 the best of my knowledge and information, and that this
8 declaration was executed this _____ day of October, 2003 in
9 Raleigh, NC.

10
11 _____
12 Martha Elder
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OCT-16-2003 06:04 PM BR MILLER FOR CONGRESS 919 9183

P.02

1 I know that the Committee also used an Excel spreadsheet as an additional
 2 safeguard against depositing an over the limit contribution. I know this because I recall
 3 one incident in which an over the limit contribution was "caught" during the course of
 4 preparing an FEC report. In that incident, Paul Blank had prepared a spreadsheet to send
 5 to Durkee and Associates and noted that a contributor had given too much. I personally
 6 saw the spreadsheet, and I know that this contribution was refunded as a result of its
 7 being listed on the spreadsheet. I understand, from a business conversation I had with
 8 Mr. Blank at the time, that he prepared such a spreadsheet prior to each FEC report the
 9 Committee filed.

1 5. [Team Majority and PAC to the Future]

2
 3 No one from either PAC to the Future or Team Majority contacted me or, to my
 4 knowledge, Messrs. Blank or Kouri at all, other than the sending of their respective
 5 checks. Thus, there was nothing of which I was aware to indicate that the two committees
 6 are or were in any way connected.

7
 8 I declare under penalty of perjury under the laws of the United States of America
 9 that the foregoing is true and correct to the best of my knowledge and information, and
 0 that this declaration was executed this 16th day of October, 2003 in Raleigh, NC.

1
 2 
 3 Martha Elder
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1 LAURENCE S. ZAKSON (CSB 119435), Member of
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8 Attorneys for Responding Party

9 Before the United States Government
10 Federal Election Commission

11 In Re:

CASE NO. MUR 5328

12 Chris Kouri for Congress
13 Committee & William
14 Shaia, Its Treasurer

DECLARATION OF KINDE DURKEE

15
16
17 I, Kinde Durkee, declare:

18
19 1. Identification

20
21 a. I am a professional treasurer retained by various
22 political committees to assure their compliance with federal and
23 state campaign finance laws. Although I am, and have been at
24 various times in the past, treasurer of various committees, I was
25 not at any time during 2002 the treasurer for Chris Kouri for
26 Congress Committee (Committee). Rather, at that time, I was the
27 Committee's contractor for purposes of drafting and filing reports
28 with the Federal Election Commission. And all such work was

1 performed either by me or, more usually, by an employee under my
2 direct supervision. The Committee's manager, Paul Blank, was the
3 person responsible for making all deposits and reviewing the
4 Committee's contributions, expenditures and reports for compliance
5 with the Federal Election Campaign Act.

6
7 b. I am now the Committee's treasurer, and have been since
8 September 16, 2003. All of the facts set forth in this
9 declaration are based on my own personal knowledge unless
10 otherwise expressly noted.

11
12 2. Preparation and Filing of FEC Reports

13
14 a. During 2002, employees in my office received copies of
15 spreadsheets prepared by the Committee which reflected both income
16 and expenditures. A sample spreadsheet is attached. It is my
17 understanding from conversations with Mr. Blank at the time that
18 Mr. Blank prepared the spreadsheets from data in the Committee's
19 computer system. I did not know who entered the data at that
20 time, although I have since learned that much of the contribution
21 data was entered by Martha Elder, the Committee's finance
22 director. It was and remains my understanding from conversations
23 with Mr. Blank that the contribution data used to prepare the
24 spreadsheets was taken from remittance envelopes sent along with
25 the contributions.

26
27 b. An employee in my office entered the spreadsheet data
28 into my computerized report generation program. At the time the

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1 data was entered, identification numbers of contributing
2 committees were verified (if provided by the Committee) or
3 obtained (if not). All contributions were checked against the
4 applicable contribution limit by either me or a member of my
5 staff. The only contribution of which I am aware as to which
6 there is or was any question about its appropriateness is a
7 contribution from New American Optimists PAC (NAOPAC). NAOPAC
8 claims that it was a multi-candidate committee at the time it made
9 its contribution to the Committee. FEC records fail to
10 corroborate this. I have informed the Committee of this fact, and
11 I anticipate that the Committee will refund any excess
12 contribution if and when it has the financial ability to do so.

13
14 3. [Team Majority and PAC to the Future]

15
16 a. Although, prior to the Committee's receipt of the
17 Commission's letter dated September 4, 2003, I never saw the
18 checks payable to the Committee from either PAC to the Future or
19 Team Majority, I have verified that these two contributors have
20 separate FEC identification numbers, and different names. No one
21 from those contributing committees contacted me or, to my
22 knowledge, Messrs. Blank or Kouri at all, other than the sending
23 of their respective checks. Thus, there was nothing of which I
24 was aware to indicate that the two committees are or were in any
25 way connected.

26
27 b. On the advice of counsel, I am mailing to the Federal
28 Election Commission a check (a copy of which is attached)

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DURKEE N ASSOCIATES

PAGE 02

OCT-15-03 15:23 FROM:REICH ADELL CROST CVITAN ID:2133865583

PAGE 5/5

1 disgorging the \$5,000 contribution from Team Majority, which was
2 the later-received of the two contributions.

3
4 I declare under penalty of perjury under the laws of the
5 United States of America that the foregoing is true and correct to
6 the best of my knowledge and information, and that this
7 declaration was executed this 15 day of October, 2003 in
8 Burbank, CA.

9
10 
11 Kinde Durkee
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DURKEE N ASSOCIATES

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Name	Address	City	State	Zip	Purpose	Date	Amount	Type
Chris Kouri	3201 Commonweath Ave.	Charlotte	NC	28205	airfare	10/2/02	\$775.40	In-kind
Chris Kouri	3201 Commonweath Ave.	Charlotte	NC	28205	hotel	10/2/02	\$128	In-kind
Chris Kouri	3201 Commonweath Ave.	Charlotte	NC	28205	airfare	10/2/02	\$775	In-kind
Chris Kouri	3201 Commonweath Ave.	Charlotte	NC	28205	hotel	10/3/02	\$128	In-kind
Chris Kouri	3201 Commonweath Ave.	Charlotte	NC	28205	hotel	10/11/02	\$72.28	In-kind
Chris Kouri	3201 Commonweath Ave.	Charlotte	NC	28205	hotel	10/14/02	\$95.18	In-kind
Chris Kouri	3201 Commonweath Ave.	Charlotte	NC	28205	hotel	10/15/02	\$54.26	In-kind
Chris Kouri	3201 Commonweath Ave.	Charlotte	NC	28205	hotel	10/15/02	\$54.26	In-kind

1,999.24

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10/15/2003 15:07

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DURKEE N ASSOCIATES

PAGE 04

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Expenses

Name	Address	City	Stat	Purpose	Date	Amount
Seaboard Festival	P.O. Box 132	Hamlet	NC	210345 sponsorship	10/2/02	\$26.00
W.N. Ireland	P.O. Box 217	Yadkinville	NC	210555 insurance	10/2/02	\$140.00
USPS	Midwood Station	Charlotte	NC	210289 postage	10/7/02	\$145.00
USPS	Midwood Station	Charlotte	NC	210289 postage	10/7/02	\$145.00
Action Plus Sportswear	4811 Monroe Rd.	Charlotte	NC	210205 apparel	10/8/02	\$640.00
USPS	Midwood Station	Charlotte	NC	210299 postage	10/8/02	\$240.00
Belisouth	P.O. Box 33002	Charlotte	NC	210243 phone	10/8/02	\$150.00
WMFA	1085 E. Central Ave.	Raeferd	NC	203766 advertisement	10/8/02	\$350.00
WKIX	310 5th St.	Hamlet	NC	203455 advertisement	10/8/02	\$640.00
MCI	PO Box 858063	Louisville	KY	402855 long distance	10/9/02	\$323.31
Sullers M&I	499 S. Capitol St., SW	Washington	D.C.	210003 finance consultant	10/9/02	\$4978.10
Matthew Ginsburg	410 N. Smith St. #3A	Charlotte	NC	282022 reimbursement	10/9/02	\$657.88
WADE	1 Radio St.	Wadesboro	NC	28170 advertisement	10/9/02	\$300.00
WUNC	1300 11th Cr.	Laurinburg	NC	28352 advertisement	10/9/02	\$575.00
Paychex	9300 Harris Corners Hwy, Suite 150	Charlotte	NC	282119 payroll services	10/10/02	\$87.28
Martha Elder	1416 Green Oaks Ln #12	Charlotte	NC	28215 reimbursement	10/14/02	\$2519.98
Martha Elder	1416 Green Oaks Ln #12	Charlotte	NC	28215 salary	10/15/02	\$1,022.71
Matthew Ginsburg	410 N. Smith St. #3A	Charlotte	NC	282022 salary	10/15/02	\$1,246.00
Paychex	9300 Harris Corners Pkwy, Suite 150	Charlotte	NC	28219 payroll taxes	10/15/02	\$1,027.04
Doug Hoff	6405 Denhaven Dr.	Mill Pleasant	NC	28124 consulting	10/15/02	\$1,300.00

\$16,142.14
 \$16,142.14